

Personal Income by States, 1929-54

NEW estimates of income by States for the years 1929-54 are presented in this report. Conforming to the concept of "State personal income," they replace the income payments series carried regularly in past years in the August SURVEY OF CURRENT BUSINESS; estimates on the latter basis will no longer be prepared.

In addition to a number of definitional changes entailed in shifting from the income payments to the personal income concept, the new figures incorporate a complete reworking of the statistics back to 1929. This is the first complete revision of the official State income work since its inauguration in the late 1930's.

State personal income conforms with the United States personal income series included in OBE's national income and product accounts. Statistically, the State and national estimates are in full agreement; conceptually, they differ in only one respect. This pertains to the exclusion from the State series of income disbursed by the Federal Government to its civilian and military personnel outside the continental United States.

Now in preparation is a comprehensive bulletin on State personal income that will appear next year as a supplement to the SURVEY OF CURRENT BUSINESS. It will provide a description of definitions and concepts, a detailed record of the procedures and data used in deriving the estimates, breakdowns of the State personal income totals by type and by industry for all years since 1929, and an analysis of principal changes in the geographic income distribution over the past quarter of a century.

The present report gives a brief discussion of State personal income and of the conceptual and statistical changes that have been introduced. As to the estimates themselves, both total income and per capita income are shown by States for all years from 1929 to 1954. A third basic table provides a cross-sectional view of State income flows in 1954—a breakdown of each State's total personal income by major type and industry. In addition, there is included a table of percentages to facilitate use and analysis of the figures on total and per capita income.

Besides the 48 States and the District of Columbia, OBE's regional income work covers the Territory of Hawaii. The Territorial estimates, as shown in the present tabular material, span the period since 1939. They are based on a comprehensive study, *Income of Hawaii*, published as a supplement to the SURVEY OF CURRENT BUSINESS in late 1953.¹

The regional classification of States shown in this report—the same one used by OBE in past years—has been found quite suitable for the presentation and analysis of income

data. For the convenience, however, of those who may prefer to work with the classification of the Bureau of the Census, the tables in this report also provide a grouping of the State data according to the nine Census geographic divisions.

Nature of State personal income

State personal income is the current income received by residents of the States from all sources, inclusive of transfers from government and business but exclusive of transfers among persons.

It is measured before deduction of income and other direct personal taxes, but after deduction of individuals' contributions to social security, government retirement, and other social insurance programs. While cash income makes up the overwhelming bulk of the total—more than 95 percent on a national basis—personal income also includes several types of nonmonetary income, or income in kind.

As specified in the definition, the personal income flow covers "all sources." This phrase signifies the comprehensiveness of the measure. This is so fundamental to an understanding of the concept of personal income as to warrant special emphasis.

Personal income covers the income received by residents of each State from business establishments, Federal and State and local governments, households and institutions, and foreign countries. All forms of income flowing to persons from these sources are included—wages and salaries, various types of supplementary earnings termed "other labor income," the net incomes of proprietors of unincorporated businesses, net rental income, dividends, interest, and government and business "transfer payments" (consisting, in general, of disbursements to individuals for which no services are rendered currently).

The wage and salary component of each State's personal income comprises payments made in every branch of private industry—manufacturing, trade, public utilities, services, farming, and so forth—and by the Federal and State and local governments, including military disbursements received in the State. Similarly, the proprietors' income category measures the net business earnings of farm operators, of professional persons in independent practice, and of noncorporate business establishments in all other types of pursuits. The inclusion, in addition to wages and salaries and proprietors' income, of returns on property and of numerous other types of disbursements by government and business furnishes a complete measure of the personal income flow in each of the States. All in all, the personal income series is the most

1. Undertaken at the request of the Territory, the Hawaiian income study furnishes estimates for the years 1939-52 of personal income (by type and by industry), disposable personal income, employment, average annual earnings of employees, and total output. Detailed estimates of Hawaii's 1953 and 1954 income flows are available on request. Income of Hawaii is available from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., or from Department of Commerce Field Offices at 50 cents a copy.

NOTE.—MR. SCHWARTZ AND MR. GRAHAM ARE MEMBERS OF THE NATIONAL INCOME DIVISION, OFFICE OF BUSINESS ECONOMICS. MAJOR CONTRIBUTIONS TO THE STATE INCOME PROJECT WERE MADE BY LAWRENCE GROSSE AND SELMA F. GOLDSMITH. OTHERS OF THE DIVISION STAFF WHO PARTICIPATED IN THE SUBSTANTIAL VOLUME OF STATISTICAL WORK INCLUDE HERMAN I. LIEBLING, CHARLES J. LIBERA, JAMES M. LAZARD, AND EDWIN I. COLEMAN.

comprehensive available record of differences among States in economic structure and change.

The estimates presented in this report were constructed from a wide variety of statistical information ranging over most phases of the various State economies. This consisted very largely of compilations by government agencies, although data were drawn directly from numerous private sources as well. The statistical work thus consisted of a two-fold task: assembling data from a multiplicity of sources and then adapting them, through estimation, in a step-by-step buildup of aggregate income from component flows.

Several hundred separate series of estimates went into the derivation of the State personal income totals. This detailed approach was followed in order to take advantage of available sources of information and thus to minimize errors stemming from the estimation of broad components on the basis of data differing in scope or internal composition. Moreover, it brings into play the potent factor of "offsetting errors." The tendency for errors in underlying components to compensate in the totals is a phenomenon observed repeatedly in the field of national income when a detailed, careful statistical procedure is followed.

Much of the worksheet detail included in State personal income, it will be recognized, is therefore not sufficiently reliable to warrant separate analysis. Nonetheless, the statistical approach employed has the additional advantage of yielding a considerable amount of useful information on State income by type and by industry.

IMPROVEMENTS IN THE NEW SERIES

Revision of the State income estimates, a major project that extended over a period of years, had three principal objectives. These included (1) modification of definitions in line with the personal income concept, (2) adjustment of the State series to conform statistically with the national estimates of personal income, and (3) improvement of the statistical basis of the State estimates.

Changes in definition

State personal income, like State income payments, is essentially a measure of the income flow to individuals. It includes, however, a number of changes in definition. Most important are that State personal income provides broader coverage of income in kind and has a different treatment of transactions under private pension, health, and welfare plans.

Two major items of income in kind counted in State personal income but not State income payments are the net rental value of owner-occupied dwellings and the value of food and clothing furnished members of the armed forces. With regard to private pension and related transactions, the new State series includes the contributions made by employers under such plans; treatment in the old series, while statistically inadequate, was roughly tantamount to measuring pension payments net of the contributions made by employees. Certain other changes in definition introduced into the State estimates will be brought out later in the article.

On balance, it may be said that the new definitions provide a coverage of the personal income flow that is at once both somewhat more comprehensive and more precise.

Adjustment to national estimates

The new State series has been coordinated with the revised statistics of United States personal income published in the 1954 edition of *National Income*² (as extended in the July 1955 Survey). Apart from the definitional difference already noted in respect to income disbursed overseas by the Federal Government, the State series has been tied fully to the national estimates by using them as a statistical framework in preparing State breakdowns of personal income by detailed components.

Attainment of such complete statistical correspondence will facilitate many analyses requiring the joint use of OBE's regional and national data.

Statistical revision of State series

As already indicated, the State personal income data embody a thorough reworking of the estimates. In preparation of the detailed components, much of the work underlying the former income payments series was found useful; but opportunity was taken to incorporate many additional data sources and improved estimating techniques. The results of the State project are a counterpart to the advance in national income and product statistics in the past few years that culminated in the revisions presented in the 1954 *National Income* supplement.

Several features of the new State work may be pointed out briefly. These pertain to the estimates of (a) wages and salaries in the broad area of the economy covered by social security laws, (b) farm proprietors' income, and (c) nonfarm proprietors' income.

Wages and salaries in "covered" industry.—In the preparation of wage and salary disbursements by industry for the period since 1938, fuller and more precise use was made of information provided as a byproduct of the administration of the social security programs. This information consisted, most importantly, of payroll data compiled by the Bureau of Employment Security from tabulations by the State unemployment insurance agencies of reports received from all covered employers. The UI data were supplemented by special tabulations of the Bureau of Old-Age and Survivors Insurance furnishing data on wages in the small-sized firms covered under OASI legislation but excluded from unemployment insurance coverage by the varying size-of-firm provisions of the State laws. Such combined use of UI and OASI wage data yielded complete measures of covered industry payrolls in the various States.

Farm income.—The State personal income figures include a special series of estimates on the net income of farm proprietors. It was prepared jointly by the National Income Division and the Agricultural Economics Division of the Agricultural Marketing Service. Although the preliminary product of a large, longer-term project now under way in the Agricultural Economics Division, this new series represents the first systematic, detailed estimation of farmers' net income by States on an annual basis for the whole period since 1929. It is a distinct improvement over the farm income figures contained in State income payments, particularly for the pre-1939 years.

Nonfarm proprietors' income.—The estimates of nonfarm proprietors' income included in State personal income likewise reflect a new and substantially improved statistical effort. Two broad segments of this area may be differentiated with respect to source materials and methods used: professional services and business. The former segment covers the net income of self-employed physicians, dentists,

2. This basic report may be obtained (\$1.50 per copy) from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., or from Department of Commerce Field Offices.

Table L.—Personal Income, by

(Millions of dollars)

Line	State and region	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	Continental United States.....	85,441	76,780	65,597	50,022	47,122	53,452	60,104	68,363	73,803	68,433	72,753	75,522
2	New England.....	7,128	6,588	5,881	4,699	4,413	4,836	5,152	5,799	6,015	5,530	5,940	6,388
3	Connecticut.....	1,041	1,493	1,310	1,017	904	1,079	1,173	1,345	1,443	1,295	1,415	1,566
4	Maine.....	479	460	396	309	307	342	358	420	425	396	417	444
5	Massachusetts.....	3,862	3,588	3,259	2,650	2,443	2,862	2,804	3,127	3,204	2,954	3,162	3,385
6	New Hampshire.....	322	302	263	204	200	229	238	258	272	250	274	285
7	Rhode Island.....	596	540	485	390	379	402	423	484	502	465	500	534
8	Vermont.....	225	205	168	120	121	132	148	165	170	161	173	184
9	Middle East.....	28,259	26,282	22,769	17,686	16,475	18,277	19,596	22,357	23,484	21,866	23,070	24,726
10	Delaware.....	240	203	186	144	140	157	174	215	236	201	241	270
11	District of Columbia.....	615	616	604	539	478	523	592	689	710	699	735	807
12	Maryland.....	1,280	1,170	1,000	858	787	891	943	1,076	1,104	1,118	1,186	1,300
13	New Jersey.....	3,714	3,495	3,071	2,440	2,172	2,364	2,565	2,910	3,068	2,869	3,100	3,438
14	New York.....	14,105	13,180	11,879	8,849	8,322	9,070	9,669	10,914	11,339	10,708	11,162	11,713
15	Pennsylvania.....	7,531	6,904	5,846	4,406	4,122	4,721	5,040	5,850	6,207	5,553	5,983	6,417
16	West Virginia.....	704	712	623	450	456	551	604	703	754	678	723	777
17	Southeast.....	9,196	7,844	6,880	5,295	5,321	6,284	6,955	8,085	8,696	8,183	8,802	9,619
18	Alabama.....	858	705	589	427	440	550	584	679	723	677	704	801
19	Arkansas.....	564	415	386	284	287	333	330	452	470	436	471	501
20	Florida.....	753	683	589	476	440	537	592	726	813	801	892	982
21	Georgia.....	1,015	897	750	584	603	712	789	895	946	897	967	1,060
22	Kentucky.....	1,020	853	766	563	554	624	720	803	830	819	855	914
23	Louisiana.....	866	753	676	514	493	573	638	731	736	790	834	861
24	Mississippi.....	570	407	346	252	266	339	361	451	459	426	444	474
25	North Carolina.....	1,046	929	789	603	678	809	894	986	1,088	1,018	1,111	1,171
26	South Carolina.....	470	421	358	275	305	360	399	451	482	456	511	584
27	Tennessee.....	982	850	732	534	560	667	728	836	918	841	886	995
28	Virginia.....	1,054	933	809	691	696	780	870	985	1,081	1,022	1,127	1,267
29	Southwest.....	4,254	3,648	3,069	2,363	2,276	2,573	2,961	3,360	3,810	3,684	3,828	4,090
30	Arizona.....	254	223	182	124	128	151	176	201	223	218	231	248
31	New Mexico.....	171	142	125	92	94	112	136	163	178	171	184	199
32	Oklahoma.....	1,077	884	718	516	530	590	699	749	861	797	805	867
33	Texas.....	2,752	2,399	2,044	1,561	1,524	1,720	1,950	2,247	2,543	2,498	2,600	2,776
34	Central.....	25,448	22,079	18,465	13,576	12,478	14,575	17,246	19,428	21,776	19,364	20,957	22,539
35	Illinois.....	7,280	6,235	5,187	3,780	3,434	3,945	4,484	5,112	5,743	5,116	5,566	5,964
36	Indiana.....	1,973	1,681	1,431	1,022	982	1,184	1,397	1,608	1,828	1,605	1,767	1,898
37	Iowa.....	1,419	1,285	988	735	693	873	1,052	971	1,270	1,135	1,183	1,273
38	Michigan.....	3,803	3,130	2,593	1,882	1,668	2,187	2,554	3,014	3,389	2,891	3,215	3,610
39	Minnesota.....	1,539	1,423	1,198	961	832	964	1,214	1,285	1,460	1,359	1,432	1,487
40	Missouri.....	2,275	2,073	1,838	1,379	1,276	1,394	1,602	1,778	1,928	1,809	1,914	1,982
41	Ohio.....	5,178	4,472	3,804	2,716	2,631	3,087	3,523	4,060	4,432	3,853	4,265	4,606
42	Wisconsin.....	2,001	1,754	1,416	1,101	1,022	1,161	1,420	1,600	1,707	1,585	1,615	1,740
43	Northwest.....	3,945	3,536	2,788	2,109	1,928	2,156	2,848	3,087	3,214	3,063	3,130	3,392
44	Colorado.....	642	603	501	380	380	397	477	536	536	564	573	617
45	Idaho.....	225	222	168	124	104	179	159	228	212	216	226	242
46	Kansas.....	999	832	751	504	471	532	668	713	782	704	694	762
47	Montana.....	312	271	207	132	163	197	260	264	284	284	294	318
48	Nebraska.....	811	713	568	424	382	352	552	529	548	538	621	578
49	North Dakota.....	253	208	134	110	98	119	178	152	209	180	202	224
50	South Dakota.....	288	248	166	130	89	122	203	160	309	205	219	230
51	Utah.....	284	267	194	160	155	164	206	245	238	241	251	260
52	Wyoming.....	151	132	109	86	84	94	116	130	146	136	145	152
53	Far West.....	7,394	6,791	5,755	4,444	4,231	4,781	5,348	6,407	6,808	6,743	7,434	7,767
54	California.....	5,502	5,079	4,347	3,381	3,227	3,590	4,020	4,817	5,132	5,038	5,257	5,839
55	Nevada.....	79	76	61	52	48	52	65	83	77	80	90	99
56	Oregon.....	647	593	496	373	355	423	464	568	591	580	629	677
57	Washington.....	1,166	1,043	851	638	601	707	797	939	1,008	895	1,058	1,152
58	Territory of Hawaii.....											218	346
	Bureau of the Census Geographic Divisions												
59	New England.....	7,125	6,588	5,881	4,699	4,413	4,836	5,152	5,799	6,015	5,530	5,940	6,388
60	Middle Atlantic.....	25,350	23,585	20,296	15,695	14,618	16,155	17,283	19,674	20,614	19,170	20,185	21,563
61	East North Central.....	20,235	17,328	14,431	10,501	9,737	11,544	13,378	15,394	17,109	15,060	16,428	17,818
62	West North Central.....	7,584	6,802	5,633	4,252	3,781	4,156	5,468	5,888	6,415	5,926	6,163	6,515
63	South Atlantic.....	7,247	6,570	5,858	4,622	4,580	5,320	5,857	6,736	7,280	6,890	7,493	8,227
64	East South Central.....	3,428	3,115	2,433	1,776	1,820	2,150	2,393	2,779	3,030	2,763	2,889	3,184
65	West South Central.....	5,269	4,451	3,824	2,876	2,834	3,216	3,667	4,179	4,665	4,521	4,710	5,005
66	Mountain.....	2,118	1,926	1,547	1,216	1,158	1,346	1,625	1,900	1,944	1,810	1,999	2,144
67	Pacific.....	7,316	6,715	5,694	4,392	4,188	4,739	5,281	6,324	6,731	6,563	6,944	7,666

Source: U. S. Department of Commerce, Office of Business Economics.

States and Regions, 1929-54

(Millions of dollars)

1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	Line
95,953	122,417	148,499	160,118	164,549	175,701	189,877	207,417	205,452	226,464	252,945	268,398	283,388	285,368	1
7,754	8,522	10,692	11,274	11,372	12,286	13,026	13,950	13,829	15,172	16,775	17,681	18,716	18,893	2
2,000	2,547	2,857	2,888	2,794	3,010	3,333	3,528	3,452	3,848	4,395	4,748	5,145	5,159	3
533	712	876	878	856	933	982	1,070	1,061	1,088	1,188	1,292	1,316	1,328	4
3,970	4,711	6,392	5,871	5,823	6,342	6,581	7,072	7,068	7,800	8,608	8,849	9,335	9,466	5
347	409	446	482	513	567	615	660	683	704	780	818	850	883	6
685	832	1,028	1,067	1,067	1,066	1,126	1,191	1,173	1,287	1,410	1,470	1,538	1,526	7
219	261	293	293	310	362	389	420	414	445	494	500	532	531	8
28,783	34,295	40,191	43,517	44,991	48,749	52,029	56,452	56,555	61,616	67,572	71,199	75,311	75,863	9
315	356	404	424	431	480	500	551	599	688	756	810	869	880	10
921	1,154	1,329	1,346	1,414	1,508	1,526	1,600	1,677	1,708	1,837	1,927	1,996	1,985	11
1,674	2,254	2,709	2,870	2,829	2,924	3,046	3,310	3,384	3,756	4,329	4,711	5,008	5,045	12
4,085	5,048	6,024	6,520	6,558	6,888	7,208	7,877	7,930	8,738	10,000	10,786	11,586	11,769	13
13,209	16,206	17,752	19,433	20,599	22,712	23,997	26,001	26,144	28,062	30,122	31,526	33,325	34,238	14
7,646	9,154	10,678	11,470	11,641	12,576	13,756	14,877	14,771	16,457	18,027	18,381	20,066	19,604	15
933	1,123	1,285	1,404	1,519	1,683	1,938	2,176	2,050	2,207	2,442	2,538	2,562	2,452	16
12,566	17,322	21,571	24,674	24,861	26,282	28,480	29,661	28,893	32,001	36,472	38,858	40,839	40,819	17
1,089	1,520	1,980	2,058	2,161	2,162	2,337	2,542	2,429	2,660	3,031	3,220	3,381	3,274	18
864	1,084	1,395	1,290	1,270	1,310	1,330	1,545	1,438	1,532	1,723	1,759	1,792	1,760	19
1,211	1,685	2,459	2,770	2,895	2,813	2,903	3,053	3,210	3,641	4,073	4,536	5,035	5,313	20
1,350	1,836	2,354	2,638	2,724	2,744	2,890	3,089	3,098	3,510	4,052	4,321	4,528	4,460	21
1,118	1,498	1,854	1,936	2,067	2,235	2,383	2,719	2,624	2,839	3,332	3,520	3,656	3,620	22
1,123	1,508	2,008	2,179	2,153	2,196	2,272	2,601	2,789	2,937	3,243	3,529	3,741	3,751	23
684	970	1,191	1,329	1,304	1,254	1,395	1,554	1,391	1,588	1,738	1,847	1,894	1,856	24
1,633	2,063	2,515	2,779	2,892	3,198	3,372	3,621	3,595	4,114	4,615	4,748	4,955	5,028	25
709	1,089	1,262	1,412	1,428	1,484	1,554	1,755	1,700	1,859	2,286	2,468	2,527	2,414	26
1,290	1,640	2,108	2,454	2,592	2,634	2,776	3,007	2,992	3,291	3,537	3,787	4,072	4,074	27
1,739	2,590	2,945	3,269	3,375	3,336	3,278	3,565	3,628	4,080	4,742	5,123	5,258	5,269	28
4,988	7,007	9,226	10,160	10,272	10,878	11,822	12,905	13,816	14,668	16,860	18,160	18,722	19,084	29
309	476	653	640	654	660	749	839	889	978	1,225	1,387	1,428	1,468	30
238	310	404	457	491	509	575	650	717	797	938	1,010	1,058	1,079	31
982	1,390	1,706	1,940	1,958	2,000	2,166	2,360	2,422	2,517	2,818	3,036	3,165	3,187	32
3,459	4,822	6,484	7,123	7,169	7,400	8,322	9,056	9,778	10,376	11,879	12,697	13,071	13,350	33
27,736	34,457	41,826	48,492	44,743	48,982	53,688	60,791	58,356	64,482	72,516	78,299	81,844	81,947	34
7,153	8,367	9,772	10,743	11,188	12,487	13,647	15,473	14,654	16,582	17,708	18,544	19,595	19,812	35
2,526	3,209	3,899	4,116	4,271	4,419	4,925	5,582	5,398	6,007	6,968	7,336	8,031	7,769	36
1,511	2,014	2,321	2,258	2,480	2,978	2,986	3,934	3,403	3,788	4,059	4,214	4,099	4,443	37
4,522	6,812	7,260	7,570	7,215	7,743	8,832	9,579	9,522	10,811	12,096	12,877	14,497	14,172	38
1,678	2,119	2,464	2,519	2,788	3,213	3,511	4,028	3,810	4,170	4,591	4,742	4,992	5,148	39
2,463	3,097	3,553	3,814	3,984	4,459	4,695	5,321	5,219	5,713	6,337	6,672	7,038	7,122	40
5,765	7,166	8,641	9,160	9,326	9,853	10,880	12,227	11,736	12,896	14,910	15,901	17,346	17,293	41
2,118	2,673	3,167	3,812	3,511	3,830	4,204	4,647	4,014	5,036	5,737	6,013	6,196	6,188	42
4,223	6,001	7,296	7,670	7,953	8,409	9,743	10,503	10,016	11,181	12,465	13,156	13,129	13,414	43
728	1,010	1,186	1,196	1,317	1,429	1,654	1,760	1,794	1,935	2,239	2,473	2,515	2,528	44
298	435	501	555	646	695	853	906	706	755	840	903	876	857	45
976	1,502	1,843	2,053	1,992	2,012	2,383	2,416	2,397	2,650	2,958	3,388	3,275	3,417	46
388	467	546	550	568	657	772	806	701	955	1,038	1,058	1,084	1,070	47
697	1,010	1,326	1,302	1,407	1,446	1,574	1,851	1,609	1,949	2,039	2,167	2,103	2,234	48
321	381	506	535	549	596	636	802	678	777	794	737	742	753	49
288	443	479	534	600	637	739	888	660	798	930	804	888	895	50
332	513	710	653	672	698	749	796	821	890	1,040	1,088	1,126	1,130	51
195	235	281	295	302	339	381	418	440	472	547	538	540	530	52
9,909	13,842	18,207	19,981	20,387	21,415	22,297	23,755	23,987	26,424	30,265	33,045	34,827	35,346	53
7,331	10,010	13,281	14,653	15,194	16,034	16,637	17,612	17,835	19,650	22,760	25,025	26,592	27,026	54
119	215	327	339	333	349	358	373	376	314	370	429	466	507	55
897	1,286	1,720	1,767	1,740	1,874	2,071	2,261	2,235	2,456	2,742	2,906	2,906	2,881	56
1,502	2,291	2,979	3,282	3,190	3,208	3,331	3,609	3,641	4,004	4,413	4,691	4,863	4,984	57
841	612	775	1,088	1,009	719	721	765	665	689	796	864	889	880	58
7,754	8,522	10,692	11,274	11,372	12,286	13,026	13,950	13,829	15,172	16,775	17,681	18,716	18,893	59
24,940	29,406	34,454	37,473	38,798	42,174	45,021	48,815	48,845	53,197	58,158	61,203	64,970	65,001	60
22,084	27,227	32,748	34,901	35,511	38,332	42,488	47,508	45,924	50,731	57,529	60,871	65,715	65,234	61
7,934	10,506	12,362	13,014	13,789	15,341	16,726	19,240	17,896	19,845	21,708	23,724	23,117	24,012	62
10,435	14,150	17,272	18,913	19,507	20,150	21,005	22,720	22,940	25,673	29,182	31,192	32,633	32,745	63
4,181	5,628	7,033	7,837	8,124	8,285	8,891	9,832	9,436	10,378	11,738	12,374	13,003	12,824	64
6,228	8,554	11,173	12,432	12,550	12,822	14,090	15,562	16,437	17,362	18,663	21,051	21,769	22,048	65
2,607	3,675	4,505	4,573	4,783	5,145	5,791	6,308	6,434	7,096	8,277	8,886	9,093	9,169	66
9,790	13,587	17,980	19,702	20,124	21,166	22,039	23,482	23,711	26,110	29,915	32,616	34,361	34,841	67

Table 2.—Per Capita Personal

[Dollars]

Line	State and region	1920	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944
1	Continental United States.....	708	824	829	801	875	923	972	1,034	1,073	1,127	1,186	1,245	1,304	1,363	1,422	1,481
2	New England.....	876	886	718	672	535	583	616	681	715	756	784	757	803	1,104	1,276	1,313
3	Connecticut.....	1,029	920	805	821	587	654	704	804	859	769	824	917	1,142	1,417	1,590	1,601
4	Maine.....	601	576	491	379	374	413	428	500	505	470	493	523	626	850	1,087	1,091
5	Massachusetts.....	913	844	767	622	570	613	646	718	735	677	727	784	902	1,074	1,261	1,300
6	New Hampshire.....	690	648	580	430	419	477	495	536	565	534	559	579	707	849	967	1,048
7	Rhode Island.....	871	787	712	570	561	596	639	708	723	670	713	743	921	1,134	1,184	1,261
8	Vermont.....	627	569	488	360	339	370	409	462	478	452	480	507	629	757	903	930
9	Middle East.....	944	843	739	569	527	581	629	704	738	682	718	767	892	1,071	1,276	1,399
10	Delaware.....	1,017	849	769	583	565	628	690	850	929	782	916	1,004	1,141	1,267	1,438	1,483
11	District of Columbia.....	1,273	1,262	1,198	1,051	900	921	974	1,095	1,162	1,093	1,171	1,208	1,364	1,508	1,561	1,561
12	Maryland.....	777	719	640	511	485	521	545	617	604	633	661	712	873	1,120	1,292	1,331
13	New Jersey.....	931	859	745	592	529	578	628	713	730	700	751	822	960	1,170	1,432	1,503
14	New York.....	1,159	1,043	886	681	634	684	723	810	839	792	825	870	995	1,169	1,379	1,536
15	Pennsylvania.....	775	716	602	451	421	482	517	599	634	582	599	648	771	942	1,133	1,240
16	West Virginia.....	462	411	358	258	260	311	337	389	418	371	387	407	495	613	738	822
17	Southeast.....	362	367	267	201	208	238	261	298	321	297	315	339	431	582	718	814
18	Alabama.....	324	266	223	161	165	205	215	248	262	243	250	282	375	515	651	785
19	Arkansas.....	305	223	209	155	155	177	201	236	247	226	242	250	338	471	542	672
20	Florida.....	521	464	395	314	284	339	367	440	476	452	486	513	597	769	985	1,000
21	Georgia.....	350	308	256	199	204	240	267	301	311	280	310	340	424	571	725	835
22	Kentucky.....	391	325	289	210	205	229	262	290	334	292	303	320	392	533	689	759
23	Louisiana.....	416	358	318	239	226	260	286	325	348	346	357	363	449	593	784	879
24	Mississippi.....	285	203	174	120	131	165	175	222	220	200	203	213	313	440	528	627
25	North Carolina.....	334	293	248	187	207	245	269	295	321	299	316	328	426	575	691	765
26	South Carolina.....	270	241	204	157	174	205	228	253	267	249	273	307	392	540	639	724
27	Tennessee.....	377	326	275	197	204	240	260	300	328	298	308	339	438	555	717	856
28	Virginia.....	435	384	368	282	283	314	345	386	417	387	422	460	581	782	939	899
29	Southwest.....	474	491	334	256	245	278	314	354	399	384	394	418	546	698	892	1,010
30	Arizona.....	591	514	424	315	300	353	406	454	492	468	477	497	628	808	986	1,036
31	New Mexico.....	407	383	287	209	209	243	286	333	354	333	352	375	471	623	758	869
32	Oklahoma.....	454	368	299	216	222	247	293	317	369	343	345	373	434	624	774	944
33	Texas.....	478	411	346	262	269	284	318	363	408	396	409	432	524	712	931	1,038
34	Central.....	753	649	539	394	361	420	495	565	629	649	690	629	769	955	1,170	1,247
35	Illinois.....	957	816	675	489	442	508	575	652	731	650	705	754	895	1,039	1,258	1,392
36	Indiana.....	612	519	439	311	297	357	419	480	545	474	519	553	726	913	1,132	1,198
37	Iowa.....	577	507	398	295	254	268	417	387	508	456	469	501	607	825	995	984
38	Michigan.....	798	659	540	394	349	452	528	616	682	624	679	827	1,047	1,347	1,387	1,387
39	Minnesota.....	598	552	458	303	311	368	447	470	535	494	517	526	617	796	935	998
40	Missouri.....	623	569	495	368	388	368	422	469	508	478	506	524	646	809	962	1,073
41	Ohio.....	761	671	568	404	390	457	519	597	651	605	619	655	829	1,028	1,259	1,323
42	Wisconsin.....	682	595	474	364	336	390	463	519	553	512	517	554	675	872	1,053	1,115
43	Northwest.....	542	478	375	283	299	289	382	408	432	413	422	459	584	838	1,017	1,090
44	Colorado.....	637	530	474	356	355	369	442	538	531	507	516	546	648	891	1,030	1,063
45	Idaho.....	503	497	370	270	228	278	303	461	416	421	434	464	594	904	1,004	1,080
46	Kansas.....	535	468	369	268	251	285	357	381	421	332	380	426	552	849	1,034	1,104
47	Montana.....	595	503	383	337	299	361	473	477	518	514	580	570	715	998	1,123	1,168
48	Nebraska.....	590	517	410	306	278	255	401	390	409	402	395	439	548	811	993	1,072
49	North Dakota.....	375	305	182	176	145	177	266	229	319	278	314	350	522	654	927	1,002
50	South Dakota.....	417	358	239	183	129	179	300	240	319	316	340	339	470	742	816	950
51	Utah.....	550	505	378	309	300	314	392	465	460	450	462	487	603	800	1,132	1,058
52	Wyoming.....	677	584	476	374	365	403	489	542	601	553	585	603	783	944	1,142	1,229
53	Far West.....	910	815	686	520	490	546	600	703	737	708	726	785	944	1,256	1,514	1,537
54	California.....	995	839	746	574	541	592	651	760	786	764	775	840	1,009	1,251	1,540	1,582
55	Nevada.....	873	826	649	542	500	531	650	522	748	762	841	876	975	1,547	1,493	1,477
56	Oregon.....	683	630	513	384	363	439	464	554	564	542	582	623	838	1,140	1,401	1,415
57	Washington.....	750	665	538	408	378	439	489	568	600	586	617	662	871	1,203	1,473	1,535
58	Territory of Hawaii.....											525	577	749	1,037	1,186	1,239
	Bureau of the Census Geographic Divisions																
59	New England.....	876	806	718	572	535	583	610	691	715	656	704	757	903	1,104	1,276	1,313
60	Middle Atlantic.....	979	895	781	584	541	595	635	720	753	695	733	783	909	1,088	1,300	1,438
61	East North Central.....	803	684	568	411	380	449	518	593	656	574	621	667	817	1,003	1,237	1,316
62	West North Central.....	572	510	419	315	279	306	401	411	474	439	466	483	597	805	967	1,046
63	South Atlantic.....	462	415	367	288	283	324	354	402	429	399	426	459	561	733	869	948
64	East South Central.....	348	284	244	177	180	213	232	268	291	262	270	294	383	516	653	753
65	West South Central.....	436	365	311	233	228	257	290	329	366	352	363	363	467	640	825	944
66	Mountain.....	580	519	412	321	305	351	419	482	488	473	487	518	638	837	1,035	1,072
67	Pacific.....	911	815	680	520	490	546	600	701	727	707	725	784	966	1,253	1,514	1,558

Income, by States and Regions, 1929-54

(Dollars)

1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	Line
1,234	1,249	1,316	1,420	1,382	1,491	1,649	1,723	1,790	1,770	1
1,336	1,379	1,438	1,511	1,474	1,625	1,816	1,897	1,949	1,935	2
1,568	1,578	1,693	1,752	1,699	1,903	2,191	2,323	2,423	2,361	3
1,067	1,117	1,150	1,229	1,176	1,192	1,323	1,485	1,501	1,492	4
1,351	1,398	1,434	1,513	1,490	1,660	1,835	1,887	1,928	1,922	5
1,100	1,145	1,208	1,269	1,244	1,323	1,491	1,531	1,580	1,605	6
1,207	1,349	1,436	1,513	1,464	1,629	1,759	1,808	1,842	1,823	7
1,013	1,058	1,099	1,170	1,122	1,177	1,310	1,361	1,400	1,408	8
1,459	1,474	1,524	1,618	1,691	1,722	1,851	1,964	2,036	2,000	9
1,507	1,533	1,634	1,766	1,890	2,150	2,270	2,355	2,443	2,372	10
1,635	1,689	1,743	1,805	2,078	2,191	2,304	2,339	2,412	2,320	11
1,318	1,313	1,350	1,453	1,453	1,590	1,773	1,889	1,979	1,940	12
1,501	1,529	1,570	1,650	1,622	1,793	2,001	2,107	2,239	2,219	13
1,644	1,691	1,715	1,793	1,758	1,879	2,006	2,077	2,150	2,163	14
1,268	1,273	1,348	1,446	1,422	1,556	1,747	1,835	1,893	1,785	15
890	921	1,029	1,146	1,002	1,093	1,220	1,274	1,285	1,232	16
854	845	874	957	936	1,004	1,124	1,156	1,241	1,233	17
780	744	794	858	810	888	994	1,077	1,121	1,091	18
722	720	719	847	780	802	906	948	981	979	19
1,161	1,137	1,143	1,184	1,203	1,305	1,382	1,467	1,585	1,610	20
882	844	854	948	932	1,017	1,146	1,208	1,270	1,237	21
794	811	850	965	921	960	1,127	1,193	1,235	1,216	22
892	829	831	1,002	1,059	1,089	1,173	1,241	1,304	1,302	23
927	805	862	733	667	729	793	844	878	873	24
821	858	894	944	919	1,011	1,118	1,145	1,181	1,190	25
743	763	779	879	838	877	1,045	1,108	1,122	1,063	26
902	856	876	935	925	997	1,085	1,132	1,225	1,212	27
945	990	1,002	1,112	1,101	1,215	1,273	1,445	1,473	1,480	28
1,026	1,006	1,100	1,172	1,246	1,285	1,413	1,484	1,526	1,544	29
1,107	1,083	1,149	1,216	1,245	1,295	1,555	1,639	1,597	1,582	30
920	906	988	1,076	1,112	1,166	1,292	1,348	1,379	1,387	31
907	939	1,015	1,130	1,156	1,127	1,237	1,360	1,439	1,406	32
1,051	1,028	1,128	1,188	1,283	1,341	1,460	1,518	1,555	1,574	33
1,289	1,310	1,401	1,555	1,469	1,605	1,788	1,856	1,967	1,920	34
1,470	1,530	1,630	1,809	1,690	1,826	2,013	2,081	2,183	2,155	35
1,248	1,193	1,308	1,440	1,364	1,522	1,702	1,768	1,936	1,834	36
1,069	1,207	1,190	1,547	1,320	1,442	1,550	1,593	1,539	1,667	37
1,319	1,318	1,454	1,542	1,504	1,684	1,860	1,941	2,124	2,017	38
1,100	1,174	1,256	1,404	1,298	1,392	1,524	1,558	1,624	1,644	39
1,134	1,186	1,221	1,384	1,344	1,444	1,566	1,671	1,732	1,747	40
1,349	1,311	1,412	1,552	1,479	1,616	1,855	1,928	2,050	1,983	41
1,186	1,209	1,294	1,402	1,361	1,460	1,694	1,726	1,762	1,708	42
1,142	1,143	1,343	1,377	1,278	1,392	1,554	1,613	1,680	1,583	43
1,183	1,195	1,338	1,394	1,385	1,449	1,739	1,809	1,750	1,696	44
1,114	1,169	1,251	1,251	1,236	1,273	1,438	1,549	1,475	1,433	45
1,159	1,116	1,288	1,277	1,245	1,378	1,518	1,719	1,653	1,689	46
1,191	1,278	1,457	1,598	1,390	1,602	1,756	1,763	1,768	1,729	47
1,163	1,151	1,243	1,463	1,308	1,408	1,548	1,624	1,554	1,635	48
1,009	1,046	1,446	1,383	1,136	1,255	1,310	1,193	1,183	1,186	49
1,047	1,083	1,232	1,451	1,094	1,220	1,416	1,222	1,311	1,332	50
1,128	1,094	1,178	1,219	1,224	1,231	1,453	1,480	1,508	1,483	51
1,258	1,340	1,488	1,554	1,589	1,622	1,886	1,890	1,843	1,779	52
1,535	1,585	1,633	1,711	1,687	1,798	1,985	2,072	2,122	2,094	53
1,580	1,654	1,678	1,750	1,725	1,850	2,055	2,133	2,194	2,162	54
1,586	1,717	1,732	1,750	1,758	1,938	2,189	2,344	2,390	2,414	55
1,381	1,396	1,518	1,609	1,562	1,607	1,749	1,814	1,794	1,767	56
1,425	1,395	1,497	1,600	1,587	1,677	1,806	1,905	1,960	1,949	57
1,328	1,318	1,584	1,411	1,364	1,403	1,580	1,721	1,740	1,704	58
1,336	1,379	1,439	1,511	1,474	1,625	1,816	1,897	1,949	1,935	59
1,502	1,510	1,562	1,651	1,619	1,757	1,917	2,001	2,078	2,043	60
1,346	1,349	1,457	1,593	1,514	1,661	1,863	1,930	2,052	1,989	61
1,112	1,164	1,244	1,414	1,292	1,407	1,523	1,593	1,603	1,618	62
994	1,007	1,042	1,125	1,113	1,204	1,336	1,402	1,452	1,438	63
787	766	807	888	845	902	1,017	1,079	1,135	1,118	64
964	938	1,011	1,101	1,157	1,191	1,305	1,374	1,423	1,438	65
1,143	1,160	1,259	1,384	1,314	1,389	1,609	1,660	1,641	1,611	66
1,534	1,583	1,632	1,711	1,686	1,796	1,983	2,089	2,118	2,090	67

lawyers, accountants, and other types of independent professional practitioners.

State distributions of total net income in the various professions were prepared as the product of (1) number and (2) average net income of persons engaged in independent practice. Basic data on the former item were obtained from the decennial Census of Population and records of the professional associations. For average net income, principal reliance was placed on data collected in OBE's periodic questionnaire surveys and in the 1950 Census of Population.

For the "business" segment—about four-fifths—of non-farm proprietors' income, first approximations of annual totals by States were derived as the summation of separate estimates for about 50 industries. These estimates were prepared through distributions, or allocations, of independent national totals. Of necessity, the distributions were developed in very large degree from information not fully or directly relevant to noncorporate business net income, such as sales, number of proprietors, value added, and payrolls. Also for lack of data, it was frequently necessary to assume that (within the detailed industry framework adopted) relationships found to prevail nationally would also be valid State by State.

For this broad area of nonfarm self-employment, which has been covered by the OASI law since 1951, it was possible to adjust the preliminary, sum-of-industry estimates to special benchmark information provided by the Bureau of Old-Age and Survivors Insurance. This information consisted of sample data by States showing for 1951 and 1952 the total and average net incomes from self-employment of persons covered by old-age and survivors insurance.

On the whole, the adjustments required to bring the sum-of-industry totals into line with the 1951-52 OASI data were rather moderate. Nonetheless, these data mark a significant step forward in the work. They provide the first comprehensive check on the results of estimating State proprietors' income on the basis of indirect data and procedures, and they point towards an important new data source for the future.

Comparison with State income payments

For those who have followed the State income payments work, immediate interest centers on the extent of change made by State personal income. This can be measured simply by comparing the percentage distributions by States of the Nation's income shown by the new and old series.

From such comparisons examined for 1929, 1940, 1950, and 1953, it is readily apparent that the new series modifies in only moderate degree the recent-year distributions and long-term shifts which had been shown by State income payments. In all 4 years the percent of total income received in the various States as recorded in the personal income data differs by 5 percent or less in nearly all instances from that based on income payments. The 1929 and 1953 revisions, it may be noted, are opposite in direction in some States, but they still do not alter significantly the previously indicated long-run changes.³

To this generally favorable outcome, 2 qualifications must be added.

First, differences between the new and old State series run generally larger in the 1930's and are sizable in a few years for some of the Central and Northwestern States. This development, which was not unexpected, is traceable mainly to the farm income component. As already indicated, this component of income payments was statistically weak for the pre-1939 period.

3. The above comparisons, it will be recognized, combine the effects of both conceptual and statistical revisions. Upon analysis of the 1950 data, it was found that the differences between the two series were very largely statistical. On balance, the changes in definition introduced into the personal income estimates had small effect on the relative State distributions.

The second qualification to be borne in mind is that the general similarity found in the overall totals does not extend to many of the individual components. Differences in type-of-income or industrial detail sometimes turned out to be large, although tending to offset in the totals.⁴

It remains to be added that measurement of component flows has been sharpened markedly in the new series. For this reason, State personal income should prove a more useful, reliable tool for business and economic analysis.

Table 3.—Changes in Total and Per Capita Personal Income, by States and Regions, Selected Years, 1929-54

State and region	Total personal income								Per capita personal income							
	Percent of continental United States					Percent change			Percent of continental United States					Percent change		
	1929	1940	1940	1950	1954	1929 to 1954	1940 to 1954	1950 to 1954	1929	1940	1940	1950	1954	1929 to 1954	1940 to 1954	1950 to 1954
Continental United States.....	100.00	100.00	100.00	100.00	100.00	233	253	27	1	100	100	100	100	163	167	69
New England.....	8.32	8.15	8.08	8.73	8.02	145	145	21	1	126	127	120	149	128	155	19
Connecticut.....	1.62	1.60	1.72	1.71	1.81	214	220	24	0	146	154	156	136	120	167	24
Maine.....	.60	.67	.63	.66	.67	177	190	22	1	85	88	90	80	64	148	26
Massachusetts.....	4.61	4.32	4.00	3.49	3.31	145	180	21	1	180	135	112	111	105	111	146
New Hampshire.....	.28	.30	.32	.31	.31	174	210	26	4	98	97	92	88	91	123	21
Rhode Island.....	.49	.48	.41	.47	.43	146	180	19	-1	174	128	108	109	103	100	146
Vermont.....	.20	.22	.21	.20	.20	138	180	19	0	88	86	78	60	126	178	20
Middle East.....	32.39	31.41	27.75	27.33	30.68	145	207	24	1	134	129	114	112	112	161	18
Delaware.....	.28	.34	.30	.31	.31	207	228	28	1	145	180	128	144	134	133	130
District of Columbia.....	.72	1.83	.86	.78	.84	207	134	7	-1	181	197	128	147	128	74	80
Maryland.....	1.47	1.67	1.00	1.07	1.77	300	286	34	1	111	120	185	107	110	150	172
New Jersey.....	4.28	4.37	3.62	3.37	4.12	217	243	85	2	132	138	122	123	122	188	170
New York.....	16.47	14.02	12.83	12.42	11.98	143	192	23	3	105	148	134	128	122	67	140
Pennsylvania.....	8.70	8.17	7.18	7.30	8.37	160	205	19	-2	116	109	108	103	101	180	176
West Virginia.....	.03	.00	.00	.00	.04	200	216	11	-4	06	08	74	74	78	107	306
Southeast.....	10.74	12.24	14.38	14.19	14.34	344	335	28	0	61	57	68	67	78	241	264
Alabama.....	1.00	1.02	1.23	1.18	1.16	282	300	23	-2	40	47	60	62	62	237	287
Arkansas.....	.60	.61	.76	.78	.83	212	241	16	-2	43	49	66	64	55	220	283
Florida.....	.88	1.25	1.00	1.01	1.06	800	441	48	6	74	88	81	88	91	290	214
Georgia.....	1.18	1.36	1.60	1.61	1.66	320	323	27	-2	50	57	66	66	70	283	284
Kentucky.....	1.18	1.16	1.27	1.20	1.27	255	288	28	-1	56	64	66	64	69	211	280
Louisiana.....	1.81	1.10	1.20	1.30	1.31	332	330	28	0	58	61	66	73	74	284	289
Mississippi.....	.67	.60	.71	.70	.84	206	222	17	-2	41	37	48	48	48	206	300
North Carolina.....	1.22	1.49	1.33	1.33	1.76	381	320	22	1	48	56	60	68	67	286	283
South Carolina.....	.35	.74	.84	.82	.84	414	312	30	-4	28	63	61	69	60	294	248
Tennessee.....	1.18	1.27	1.50	1.40	1.43	315	300	24	0	54	57	67	67	68	221	258
Virginia.....	1.23	1.02	1.00	1.70	1.86	400	316	51	0	02	78	79	81	84	240	218
Southwest.....	4.37	5.21	6.02	6.51	6.89	349	357	30	2	67	70	81	86	87	228	269
Arizona.....	.30	.32	.38	.48	.51	478	492	60	3	64	84	87	87	80	186	210
New Mexico.....	.70	.26	.20	.35	.38	431	442	34	8	08	03	73	78	78	241	270
Oklahoma.....	1.30	1.10	1.16	1.12	1.12	180	258	27	1	65	63	75	76	83	223	260
Texas.....	3.21	8.54	6.21	6.61	4.08	386	381	20	2	68	73	83	60	69	220	264
Central.....	29.73	28.70	27.88	23.58	28.72	222	264	27	0	107	101	105	108	108	185	286
Illinois.....	8.60	7.00	7.10	7.60	8.04	172	225	24	1	130	127	122	123	125	186	188
Indiana.....	2.10	2.42	2.62	2.68	2.72	294	309	26	-4	97	93	96	103	104	200	232
Iowa.....	1.00	1.02	1.00	1.03	1.03	213	249	17	8	82	84	97	97	94	188	233
Michigan.....	4.44	4.00	4.41	4.80	4.97	273	263	31	-2	112	114	104	113	114	184	197
Minnesota.....	1.80	1.87	1.83	1.85	1.88	235	261	23	3	85	86	94	93	93	176	213
Missouri.....	2.60	2.52	2.54	2.58	2.50	212	259	24	1	88	86	96	97	99	178	232
Ohio.....	6.04	5.88	6.01	6.72	6.06	234	275	26	0	111	112	106	108	112	184	182
Wisconsin.....	2.33	2.22	2.18	2.23	2.17	200	250	23	0	97	95	97	98	96	180	203
Northwest.....	4.63	4.31	4.78	4.96	4.79	238	296	20	2	77	77	92	93	99	192	236
Colorado.....	.75	.79	.81	.80	.80	204	310	31	1	81	82	96	97	95	184	186
Idaho.....	.20	.34	.31	.34	.30	281	364	14	-2	72	76	94	96	81	184	209
Kansas.....	1.10	.87	1.10	1.18	1.20	242	348	28	4	75	72	89	92	85	215	264
Montana.....	.30	.40	.37	.42	.37	243	228	12	-1	85	88	102	107	98	191	204
Nebraska.....	.45	.74	.68	.80	.78	175	287	16	6	84	74	82	96	83	177	272
North Dakota.....	.20	.29	.34	.34	.20	188	235	-3	1	53	60	84	84	67	216	239
South Dakota.....	.24	.29	.36	.35	.21	311	280	12	3	80	68	87	82	76	210	271
Utah.....	.23	.34	.40	.40	.40	298	320	27	0	80	82	88	84	105	205	16
Wyoming.....	.18	.10	.19	.21	.19	231	240	13	-2	90	102	187	109	101	103	103
Far West.....	5.62	5.83	12.19	11.72	12.35	378	355	14	1	129	132	127	121	118	196	187
California.....	4.12	7.43	9.16	8.72	9.47	391	303	38	2	142	141	132	124	123	117	157
Nevada.....	.89	.13	.14	.14	.18	443	412	01	8	125	147	137	180	158	176	26
Oregon.....	.76	.80	1.07	1.09	1.01	245	230	17	-1	97	105	113	108	89	187	182
Washington.....	1.38	1.47	1.83	1.77	1.78	323	328	23	1	107	111	113	113	110	194	10
Territory of Hawaii.....		.37	.41	.31	.37		300	29	0		87	106	94	80	195	27
Bureau of the Census Geographic Divisions																
New England.....	8.32	8.15	8.09	8.73	8.02	166	195	28	1	125	127	118	108	131	158	19
Middle Atlantic.....	29.46	27.46	24.99	23.60	22.99	169	204	23	1	139	137	121	118	115	169	16
East North Central.....	23.42	22.60	21.82	22.50	22.68	222	288	29	-1	114	112	108	111	112	148	198
West North Central.....	8.55	8.30	8.73	8.80	8.42	217	209	21	4	81	81	93	94	83	188	231
South Atlantic.....	8.45	10.48	11.47	11.34	11.47	242	258	28	0	66	77	81	81	81	211	213
East South Central.....	4.00	4.06	4.72	4.60	4.48	274	303	24	-1	50	49	61	60	63	221	250
West South Central.....	6.14	6.37	7.30	7.70	7.73	219	241	27	1	62	64	76	83	81	280	274
Mountain.....	2.47	2.28	2.93	3.15	3.21	323	328	28	1	83	87	93	93	91	178	212
Pacific.....	8.44	8.77	12.05	11.68	12.21	378	384	33	1	130	132	127	128	118	179	16

Source: U. S. Department of Commerce, Office of Business Economics.

4. One point should be noted, however, regarding the industrial breakdowns of wages and salaries and proprietors' income in the old and new series. The factor incorporates a significantly improved industrial classification of business establishments. This classification is described on pages 60-68 of the 1954 National Income supplement.

SUMMARY OF DEFINITIONS

The remainder of this text is devoted to a brief statement of definitions underlying the State personal income estimates. For convenience, table 4 is used as a frame of reference for the discussion.

Personal income

The main characteristics of the concept of State personal income, and how it differs from that of State income payments, have already been noted. Additional information along this line will be provided below in the discussion of the individual components of personal income.

At this point, attention will be called to another significant change introduced into State personal income—a change that is more statistical than conceptual. In the new series, total income measures consistently for all States the income received by residents. In State income payments, however, the totals shown for the District of Columbia and six States were not wholly measures of income received. They therefore required adjustment to a population, or residence, basis before computation of per capita income. A full explanation of this particular aspect of the State income payments series is given in footnote 2 of table 5 in the August 1954 Survey.

Wage and salary disbursements

These disbursements consist of the monetary remuneration of employees commonly regarded as wages and salaries, inclusive of executives' compensation, commissions, tips, and bonuses, and of the value of payments in kind which represent income to the recipient. They are measured before deductions for social security contributions, union dues, or other purposes. All disbursements in the current period are covered, including any payments retroactive to past years. That is, retroactive wages are counted when paid rather than when earned.

Although the contributions made by employees under the various social insurance programs are included in wage and salary disbursements, they are not part of the personal income total. They are excluded by means of the explicit deduction, discussed below, that is made for "personal contributions for social insurance."

Special attention may be drawn to the estimates of military payroll included in State personal income. These represent that part of the national total of military pay disbursed to residents of each State. The estimates are derived as the sum of two separate flows: (1) the gross pay of personnel stationed in each State less the amounts withheld by the Government and sent to their dependents or other individuals in the form of dependency allowances or voluntary allotments, and (2) allowances and allotments received (from military personnel wherever stationed) by individuals residing in the State.

The national totals of wage and salary disbursements contained in State personal income are somewhat lower than the series shown in table 3 of the national income report in the July 1955 Survey. The reason is that the State estimates exclude, as mentioned previously, disbursements made by the Federal Government to its civilian and military personnel stationed outside the continental United States.

Of the several differences in definition between the figures on wage and salary disbursements shown in table 4 of the present report and "wages and salaries" as previously published in State income payments, the following are most im-

portant. Unlike the old series, wage and salary disbursements are measured gross of employee contributions for social insurance and include the value of food and clothing furnished to members of the armed forces, military allowances and allotments, and work relief wages. The last two items were classified as part of "other income" in State income payments.

Other labor income

This category consists of supplementary types of labor income paid out or accruing in the current period. These comprise employer contributions to private pension, health, and welfare funds; compensation for injuries; pay of military reservists; directors' fees; and several other minor items.

Treatment of the employer contributions item requires special mention. In the national income accounts, private pension and related funds, as well as other types of "quasi-individuals", are classified as persons and their income counted in personal income. In the State series, employer contributions to private pension, health, and welfare funds are estimated by allocating the national total (by detailed industry) on the basis of payrolls. This procedure is tantamount to regarding the "funds", State by State, as synonymous with the employees on whose behalf the employer contributions are made.

Other labor income as included in the new State series is identical in scope to that shown in table 3 of the July 1955 national income report.

Proprietors' income

Proprietors' income measures the net business earnings of owners of unincorporated enterprises, consisting almost entirely of sole proprietorships and partnerships but including also producers' cooperatives and other numerically minor forms of noncorporate business.

The key characteristic of proprietors' income as a measure of net business earnings is well illustrated by the agricultural component. This is equal to (and derived statistically as) the gross income of farmers minus their total expenses of production. Gross income covers (1) cash receipts from farm marketings of crops and livestock, (2) payments to farmers under the Government's soil conservation and related programs, (3) the value of food and fuel produced and consumed on farms, (4) the gross rental value of farm dwellings, and (5) the value (positive or negative) of the change in inventories of crops and livestock.

Value of change in farmers' inventories is included because a measure of current income, not net receipts, is desired. It has a general counterpart in nonfarm proprietors' income, the definition of which calls for cost of goods sold—not just purchases—to be deducted from total receipts to arrive at net income.⁵

The income of farm proprietors as measured in State personal income is somewhat broader in scope than that included in the previous estimates. Specifically, it includes the net rental value of owner-occupied farm dwellings and the agricultural net rent received by landlords living on farms. The former item was omitted from State income payments; the latter was a component of "property income."

For the country as a whole, nonfarm proprietors' income is identical to the "Business and professional" category of table 1 in the July 1955 Survey. This category, in turn, is shown to be comprised of 2 items: "Income of unincor-

5. One difference, however, will be evident—that inventory changes are valued at selling prices in farm proprietors' income but at cost prices in nonfarm proprietors' income. This means that the farm series assigns net profit (or loss) on inventory goods when they are "produced," the nonfarm series, when they are sold. While each treatment has certain merit, uniformity on this score between the farm and nonfarm series is precluded by statistical considerations.

Table 4.—Major Sources of Personal

(Millions of dollars)

Line	State and region	Wage and salary disbursements									Services
		Total	Farms	Mining	Contract construction	Manufacturing	Wholesale and retail trade	Finance, insurance, and real estate	Transportation	Communications and public utilities	
1	Continental United States.....	194, 078	3, 075	3, 493	11, 275	64, 937	34, 736	8, 133	11, 691	5, 883	17, 770
2	New England.....	13, 144	178	22	635	5, 568	2, 189	614	498	389	1, 178
3	Connecticut.....	3, 630	45	4	198	1, 825	532	188	109	93	308
4	Maine.....	898	36	2	55	335	148	26	45	28	65
5	Massachusetts.....	6, 564	45	10	288	2, 588	1, 198	325	265	205	634
6	New Hampshire.....	805	16	1	34	253	88	20	22	20	52
7	Rhode Island.....	1, 088	4	1	49	441	166	43	33	32	83
8	Vermont.....	355	26	4	13	126	57	12	22	11	26
9	Middle East.....	53, 386	243	817	2, 785	19, 254	9, 601	2, 744	3, 135	1, 736	5, 368
10	Delaware.....	580	6	(¹)	41	273	77	22	35	12	47
11	District of Columbia.....	1, 294			44	44	206	49	46	39	160
12	Maryland.....	3, 678	36	9	230	1, 009	587	143	224	105	348
13	New Jersey.....	8, 526	55	23	500	3, 725	1, 355	351	479	256	764
14	New York.....	23, 853	124	57	1, 126	7, 797	4, 945	1, 645	1, 299	836	2, 849
15	Pennsylvania.....	13, 790	107	410	723	5, 002	2, 201	493	927	414	1, 090
16	West Virginia.....	1, 655	14	319	71	504	280	41	125	75	112
17	Southeast.....	27, 134	636	543	1, 675	7, 121	4, 691	1, 616	1, 676	745	2, 528
18	Alabama.....	2, 233	45	55	95	708	348	86	143	64	201
19	Arkansas.....	1, 007	65	24	49	227	182	30	73	42	89
20	Florida.....	3, 386	108	31	306	411	748	176	228	97	459
21	Georgia.....	3, 067	58	14	148	892	564	129	186	90	273
22	Kentucky.....	2, 290	42	141	189	607	368	65	173	66	188
23	Louisiana.....	2, 492	55	171	187	543	445	89	198	88	248
24	Mississippi.....	1, 059	62	13	47	248	192	35	53	36	107
25	North Carolina.....	3, 275	70	13	146	1, 193	534	105	161	77	290
26	South Carolina.....	1, 702	36	4	123	615	234	55	53	37	124
27	Tennessee.....	2, 713	39	28	200	896	492	111	178	56	246
28	Virginia.....	3, 910	56	49	300	791	584	136	232	92	303
29	Southwest.....	12, 425	411	958	797	2, 226	2, 365	490	859	435	1, 151
30	Arizona.....	938	58	72	85	112	172	32	50	39	83
31	New Mexico.....	709	23	60	55	73	110	20	43	31	69
32	Oklahoma.....	1, 989	40	230	114	326	377	70	121	74	178
33	Texas.....	8, 789	200	597	543	1, 717	1, 896	368	645	291	822
34	Central.....	56, 037	626	497	3, 268	24, 076	9, 879	2, 040	3, 399	1, 579	4, 432
35	Illinois.....	13, 924	100	143	817	5, 444	2, 806	650	934	416	1, 273
36	Indiana.....	5, 304	66	47	249	2, 543	879	160	313	140	336
37	Iowa.....	2, 188	36	11	121	637	486	93	151	80	101
38	Michigan.....	10, 482	82	81	677	5, 431	1, 580	270	363	276	743
39	Minnesota.....	3, 209	71	78	218	875	691	147	280	97	294
40	Missouri.....	4, 623	62	33	274	1, 499	990	213	382	157	419
41	Ohio.....	12, 215	88	87	788	5, 787	1, 946	371	689	298	862
42	Wisconsin.....	4, 096	76	17	224	1, 859	692	136	197	115	314
43	Northwest.....	8, 043	314	333	562	1, 437	1, 439	294	756	279	689
44	Colorado.....	1, 633	39	57	112	261	343	65	121	63	154
45	Idaho.....	508	29	21	38	95	102	15	46	18	44
46	Kansas.....	2, 075	48	76	135	567	356	61	109	72	155
47	Montana.....	614	40	48	46	76	123	17	76	22	50
48	Nebraska.....	1, 212	48	7	82	220	276	68	129	38	113
49	North Dakota.....	412	34	10	42	21	109	14	44	16	43
50	South Dakota.....	439	34	10	39	42	105	16	22	15	45
51	Utah.....	790	29	58	48	124	152	28	67	26	56
52	Wyoming.....	380	22	46	24	31	54	10	62	16	28
53	Far West.....	23, 999	569	230	1, 602	6, 355	4, 411	940	1, 459	721	2, 481
54	California.....	18, 383	438	188	1, 207	4, 881	3, 379	742	1, 049	560	1, 938
55	Nevada.....	357	9	25	46	20	59	7	29	9	76
56	Oregon.....	1, 855	62	6	101	590	377	66	147	64	159
57	Washington.....	3, 314	70	11	249	864	596	123	234	88	259
58	Territory of Hawaii.....	670	72	1	99	63	92	15	28	17	51
Bureau of the Census Geographic Divisions											
59	New England.....	13, 144	176	22	635	5, 568	2, 189	614	498	389	1, 178
60	Middle Atlantic.....	46, 169	286	489	2, 349	17, 424	8, 501	2, 489	2, 705	1, 595	4, 693
61	East North Central.....	46, 021	412	376	2, 855	21, 064	7, 703	1, 587	2, 496	1, 245	3, 528
62	West North Central.....	14, 154	378	225	907	3, 861	3, 013	612	1, 207	474	1, 260
63	South Atlantic.....	22, 557	394	439	1, 314	5, 722	3, 764	855	1, 288	624	2, 116
64	East South Central.....	8, 295	133	237	511	2, 459	1, 400	297	547	222	742
65	West South Central.....	14, 277	450	1, 022	893	2, 813	2, 700	557	1, 037	495	1, 337
66	Mountain.....	5, 909	240	387	453	792	1, 115	194	484	218	658
67	Pacific.....	23, 552	560	205	1, 557	6, 355	4, 353	938	1, 430	712	2, 356

1. For definitions, see text discussion on pages 19-22.

2. Consists of four industries: Agricultural and similar service establishments, Forestry, Fisheries, and Rest of world.

Income, by States and Regions, 1954¹

(Millions of dollars)

Federal Government, civilian	Federal Government, military	State and local governments	Other ²	Other labor income	Proprietors' income				Property income	Transfer payments	Less: Personal contributions for social insurance	Total personal income	Farm income	Government income disbursements	Private nonfarm income	Line
					Total	Farm	Professional	Business								
9,173	7,623	14,863	411	8,568	37,876	12,000	4,706	21,170	35,254	16,114	4,520	285,368	15,060	48,138	222,176	1
476	422	936	45	434	1,482	83	318	1,081	2,931	1,186	290	18,886	258	3,055	15,573	2
56	46	216	9	127	406	23	88	290	836	220	69	5,159	72	563	4,624	3
38	49	63	5	24	141	10	21	110	189	97	20	1,328	46	254	1,028	4
276	191	514	27	220	897	37	167	403	1,488	647	149	9,466	82	1,644	7,740	5
33	17	46	1	18	83	5	12	66	130	61	14	883	21	157	705	6
55	112	66	2	34	111	6	21	84	209	114	30	1,526	10	350	1,186	7
12	7	29	1	11	56	9	0	38	79	38	3	531	35	87	400	8
2,439	1,162	3,780	84	1,989	6,868	632	1,833	4,903	16,666	4,281	1,303	75,863	973	11,986	62,995	9
12	20	34	1	24	79	17	10	52	177	32	11	880	23	161	756	10
554	88	69	6	26	148	-----	56	92	310	155	48	1,885	-----	846	1,040	11
456	290	228	11	98	490	61	83	346	641	231	92	5,045	97	1,193	3,755	12
246	247	523	13	314	1,100	93	186	821	1,452	560	181	11,769	143	1,605	10,021	13
788	336	2,017	26	827	3,034	186	683	2,185	5,286	1,836	609	34,228	315	5,024	28,880	14
542	164	801	16	570	1,755	191	299	1,265	2,552	1,260	323	19,604	297	2,825	16,482	15
38	17	118	1	110	262	34	36	143	246	207	39	2,452	98	392	1,962	16
1,853	2,400	2,172	89	755	6,777	2,895	633	3,348	4,146	2,643	624	40,810	3,628	9,039	26,252	17
202	108	174	3	75	493	136	50	287	297	235	57	3,274	290	722	2,322	18
82	71	88	5	32	428	248	29	151	168	151	26	1,760	313	377	1,070	19
172	310	326	19	73	810	239	102	488	758	352	74	5,313	326	1,135	3,842	20
201	293	214	15	76	656	218	69	369	453	276	67	4,460	276	680	3,204	21
119	197	152	3	32	696	366	53	287	339	267	54	3,620	398	743	2,479	22
96	113	244	10	99	556	178	68	310	391	289	57	3,751	232	726	2,798	23
60	86	116	5	30	493	293	28	174	155	140	26	1,856	355	416	1,085	24
195	298	277	6	80	1,015	569	69	377	454	273	69	5,028	630	949	3,440	25
86	200	128	2	41	345	138	30	177	218	143	34	2,414	174	556	1,684	26
184	83	198	2	83	653	249	69	335	406	284	63	4,074	287	745	3,042	27
596	636	253	10	84	623	232	68	323	502	247	97	5,269	288	1,690	3,201	28
731	991	991	25	433	2,290	1,172	312	1,808	2,174	1,432	276	19,084	1,580	3,737	13,787	29
62	68	98	2	25	303	157	28	118	142	84	24	1,468	214	308	946	30
70	87	71	2	19	194	73	16	102	112	82	16	1,079	99	288	692	31
165	117	170	5	72	560	200	54	315	364	240	48	3,187	240	699	2,248	32
434	719	652	16	317	2,224	739	214	1,271	1,656	646	182	13,350	1,027	2,442	9,861	33
1,540	787	3,987	72	2,026	11,589	4,484	1,247	5,558	9,349	4,133	1,190	81,964	5,104	10,669	66,181	34
405	249	871	16	479	2,439	784	264	1,361	2,366	396	203	19,812	883	2,497	16,432	35
150	61	363	7	225	1,170	549	111	510	780	380	107	7,769	614	976	6,179	36
72	27	226	6	65	1,493	1,048	70	375	510	237	50	4,443	1,133	615	2,693	37
173	96	802	7	302	1,370	222	198	650	1,443	683	198	14,172	303	1,792	12,077	38
92	39	318	7	94	1,032	518	88	426	600	202	78	5,148	588	758	3,802	39
172	142	274	6	145	1,158	465	121	572	863	432	99	7,123	526	1,043	3,553	40
400	193	749	17	494	1,968	516	275	1,177	2,027	863	278	17,293	604	2,174	14,515	41
76	40	344	6	144	947	370	90	487	751	336	87	5,188	446	814	4,928	42
549	430	772	9	233	3,005	1,540	216	1,249	1,577	754	200	13,414	1,861	2,602	8,941	43
141	136	341	1	42	373	93	46	234	343	176	39	2,528	131	591	1,806	44
28	17	53	1	14	210	109	20	81	88	52	14	857	138	152	687	45
86	140	173	3	69	741	358	52	331	404	175	47	3,417	405	604	2,408	46
32	18	65	(2)	19	273	157	17	90	122	59	17	1,070	197	183	690	47
69	36	124	(2)	30	648	413	34	201	267	104	20	2,234	461	364	1,400	48
23	7	49	(2)	11	212	126	10	76	83	44	9	753	160	137	456	49
34	27	55	1	10	319	222	12	35	93	46	11	895	256	177	482	50
115	21	76	1	24	149	38	18	93	117	73	24	1,130	58	282	700	51
21	28	34	-----	14	80	24	7	49	60	26	10	530	45	112	373	52
1,892	1,431	2,274	96	708	4,874	1,196	649	3,029	4,419	2,063	645	35,348	1,762	7,651	26,535	53
1,081	1,134	1,768	79	551	3,559	812	504	2,243	3,481	1,559	507	27,026	1,247	5,347	20,432	54
24	27	28	(2)	10	68	12	9	47	62	20	9	507	21	100	356	55
80	28	181	5	52	511	132	56	223	325	183	47	2,881	184	476	2,221	56
257	242	307	12	93	736	240	80	416	550	321	82	4,934	310	1,128	3,496	57
104	188	85	2	85	75	9	14	52	91	42	17	886	81	340	466	58
470	422	936	45	434	1,482	83	318	1,081	2,931	1,186	290	18,886	258	3,055	15,573	59
1,576	747	3,341	65	1,711	5,889	470	1,148	4,271	9,292	3,656	1,113	65,001	755	9,454	55,392	60
1,204	579	3,119	53	1,734	7,894	2,441	988	4,485	7,376	3,172	963	65,234	2,850	8,253	64,131	61
548	418	1,221	25	424	5,615	3,102	387	2,006	2,820	1,326	323	24,019	3,536	3,698	10,785	62
2,193	2,153	1,639	71	612	4,437	1,548	523	2,366	3,759	1,916	531	32,745	1,931	7,841	22,974	63
565	474	840	13	270	2,335	1,084	198	1,053	1,196	932	200	12,824	1,270	2,626	8,928	64
757	1,025	1,154	36	520	3,777	1,365	365	2,047	2,479	1,306	313	22,048	1,812	4,244	15,992	65
493	402	566	7	167	1,650	666	161	823	1,046	552	153	9,169	903	2,016	6,250	66
1,368	1,404	2,246	96	696	4,806	1,184	640	2,982	4,357	2,063	686	34,841	1,741	6,951	28,140	67

1. Less than \$800,000. Source: U. S. Department of Commerce, Office of Business Economics.

porated enterprises" and "Inventory valuation adjustment."

The former item consists wholly of monetary earnings as no allowances are made for proprietors' income in kind outside of farming. Such earnings accord closely in definition with net business profit (gross receipts from business or profession less expense of doing business) as reported by individuals and partnerships on their Federal income tax returns. Under business accounting practices in widest use, the reported business profit data contain an element of inventory gain (or loss) due solely to price change, and therefore akin to capital gain (or loss).

As described fully in the 1954 *National Income* supplement, addition of the inventory valuation adjustment to income of unincorporated enterprises eliminates this inventory element and yields a measure of profits accruing from current production. No such valuation adjustment is required in the case of farm inventories since the farm income estimates are computed directly so as to exclude inventory profit.

Inclusion of the inventory valuation adjustment is the only significant change in the definition of nonfarm proprietors' income in the new State estimates.

Property income

"Property income" as shown in table 4 consists of rental income of persons, dividends, and personal interest income.

Rental income.—This component covers (1) monetary earnings of persons (except professional real estate operators) from the rental of real property as well as from royalties on patents, copyrights, and rights to natural resources; and (2) imputed net rental returns to owner-occupants of nonfarm dwellings.

Monetary rents are defined on a net basis, as the difference between gross receipts and expenses (including depreciation). The net rent of individuals engaged primarily in the real estate business is not included but, along with rentals received by partnerships, is classified in proprietors' income.

The imputed, or income-in-kind, element of persons' rental income is defined as the gross rental value of owner-occupied nonfarm homes less actual expenses (including depreciation) incurred in home-ownership.³ Gross rental value is reckoned in terms of the gross rent that the individual home-owner could have realized by offering his home for rent. As noted earlier, the similar imputation for farm dwellings is included in the series on farm proprietors' income.

Dividends.—This item of property income measures cash dividend disbursements by corporations organized for profit (whether foreign or domestic) to persons resident in the various States.

Personal interest income.—This measures the total interest, monetary and imputed, accruing to residents of the States.

The monetary part covers interest received from foreign as well as domestic sources. Both private and government disbursements are included.

The imputed interest component is defined in general as the excess of property income received by financial intermediaries from funds entrusted to them by persons over property income actually returned in monetary form by these intermediaries to persons. A portion of imputed interest is numerically equal to the value of financial services received by persons without explicit payment; the remainder represents property income withheld by life insurance companies and mutual financial intermediaries on the account of persons.

For amplification of this formal definition, reference is

made to the discussion of imputed interest in the 1954 edition of *National Income*. As shown there, imputed interest represents one element of the system devised in the national income and product series to account for the transactions of financial intermediaries such as banks, life insurance companies, and savings and loan associations. The full significance of the interest imputations cannot be understood in isolation—that is, apart from the other income and product items affected by the system of imputations.

In the State series, it must be added, it is not possible to parallel the elaborate treatment of imputed interest followed in the national estimates, although the conceptual framework is the same. Instead, imputed interest paid to residents of the States is estimated simply through allocations of national totals based on relevant statistical data. For instance, in the case of banks, where the imputation measures the value of banking services rendered without specific charge, the value of such services received by persons in each State is assumed to be proportionate to the State's volume of banking business as measured by information on payrolls and deposits.

The property income category of State personal income differs from that shown in previous income payments reports in 2 ways: by the inclusion of rental value of owner-occupied nonfarm dwellings and the exclusion of agricultural net rents accruing to landlords living on farms.

Transfer payments

The transfer payments category comprises, in general, receipts of persons from government and business (other than government interest) for which no services are rendered currently.

Government transfers consist of Federal and State and local government payments to (1) individuals not in return for current services and (2) private nonprofit institutions such as hospitals and charitable and welfare agencies. Under the first category are included such items as old-age and survivors insurance benefits, unemployment benefits, pensions under public employee retirement systems, direct relief, and pension, disability, and related payments to former members of the military establishment.

Business transfers (a minor category) consist of disbursements to persons of business production other than in the form of earnings. Examples are corporate gifts to nonprofit institutions, cash prizes, and consumer bad debts.

The United States totals of transfer payments included in the State and national estimates of personal income differ slightly in most years. This is because the State figures exclude disbursements—for example, of the VA special dividend—made to military personnel stationed outside the continental limits.

Together, transfer payments and other labor income are a rough counterpart to "other income" as shown in past State income payments articles. The list of specific differences in content, however, is lengthy. The three most important ones have already been noted. Military allowances and allotments and work relief wages, which were part of "other income," are now contained in wage and salary disbursements; and employer contributions to private pension and welfare funds have been substituted for pension payments. In addition, business transfer payments were omitted altogether from the former estimates.

Personal contributions for social insurance

These contributions, which are deducted from the income flows listed above to arrive at total personal income, include payments by both employees and self-employed. The

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3. For the individual States, the actual estimates of net rental value of owner-occupied nonfarm housing were not made via this residual process. Instead, it was necessary to derive the estimates by the indirect procedure of allocating to each State a percentage of the national total based on market value of owner-occupied dwellings as reported from the decennial Census of Housing.

tant categories showing this characteristic are housing, household utilities, automobile insurance, airline transportation, and radio and television repairs. Finally, the last and smallest group consists of cases where the sensitivity is approximately the same in both periods. This is illustrated in the chart by drugs, nondurable toys, and auto repair. It should be noted that although the sensitivity is little changed, in these cases the level of expenditures in the postwar period has shifted upward relative to income.

Limitations of use of sensitivity coefficients

With reference to practical uses of the postwar sensitivity coefficients shown in table 2, it is clear from the foregoing discussion that they reflect in most cases significant departures from those derived from the prewar experience.

The findings may be briefly summarized as follows:

1. The coefficients based on the prewar period reflect prewar cyclical sensitivity and represent the averaging of cyclical ups and downs under conditions of underutilization of resources.

2. The coefficients based on the postwar period are measures of sensitivity under postwar conditions of increasing economic activity and close to full use of resources.

3. For many expenditure groups the postwar coefficients are not likely to measure cyclical sensitivity to income changes but rather are apt to reflect the longer-run association between expenditures and income when both are in the same phase of the cycle.

The postwar coefficients may be used with some degree of confidence only if the period ahead is expected to show similar characteristics to those of the recent postwar years, namely, continued advances in economic activity.

The coefficients may prove to be poor guides if they are used to estimate the response of consumer expenditure categories under assumptions of significant cyclical declines. The postwar experience so far does not shed light on what the nature of the response is likely to be under such assumptions. It is also clear, that with few exceptions the sensitivity coefficients derived from the prewar experience would probably not be good guides to the response to be expected under various assumptions applicable to the current postwar period.

Personal Income by States, 1929-54

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employee portion covers contributions for old-age and survivors insurance, railroad retirement insurance, State unemployment insurance, cash sickness compensation, and government employee retirement systems as well as premium payments for Government life insurance. Contributions of the self-employed relate to old-age and survivors insurance. They were first made in 1952 under amendments extending coverage of the OASI system as of January 1, 1951.

Both in definition and statistically, the personal contributions item in State personal income is the same as that which enters the national accounts except for an overseas adjustment for contributions made by Federal employees.

Individuals' contributions for social insurance, it will be recalled, were not shown separately in the income payments series. Rather, they were netted from "wages and salaries" and "proprietors' income."

Broad industrial sectors

The last 3 columns of table 4 show the amounts of personal income received in each State from farming, government, and private nonfarm pursuits. Separate focus on these 3 sectors has been found essential for analysis of both the composition and movement of total personal income by States and regions.

"Farm income" consists of net income of farm proprietors and farm wages (net of employee contributions under the OASI program). It falls somewhat short of being a complete measure of all personal income attributable to farming since it does not cover individuals' receipts of farm interest or dividends. For agriculture, as for other private industries, basic statistical data by States do not show the industrial sources of personal income components other than payrolls and net income of proprietors.

"Government income disbursements" measures the total income flowing to residents of the States from Federal and State and local governments. It comprises wages and salaries (net of employee contributions for social insurance), "other" labor income, interest, and transfer payments. Only payments made to individuals, it should be emphasized, are included in the measure. It does not include government purchases from business; the personal income arising from such purchases is covered, of course, in the private income flows.

"Private nonfarm income" in table 4 is equal to total personal income less farm income and government income disbursements as defined above. As indicated, it is slightly overstated because of the inclusion of interest and dividends from farming.

Per capita personal income

This average is derived by division of total personal income by total population. It is particularly useful for geographic and temporal comparisons of average income on an annual basis.

The population data used for most years in deriving per capita personal income by States were the mid-year estimates of the Bureau of the Census. For 1941-47, however, population by States was measured as the sum of (1) civilian population as represented by Census mid-year estimates and (2) military personnel as derived from monthly or quarterly information supplied by the several military services. For the latter, a monthly or quarterly average was used for these years because it tended to differ appreciably from a single mid-year observation.